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C O N F I D E N T I A L SECTION 01 OF 03 CARACAS 000201

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E.O. 12958: DECL: 01/22/2017

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SUBJECT: OPPOSITION SEVERELY CHALLENGED, LOOKING LONG TERM

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Classified By: POLITICAL COUNSELOR ROBERT DOWNES FOR 1.4 (D)

Summary

11. (C) Still stinging from its tenth consecutive electoral defeat since 1998, the opposition is plagued by infighting, the need to rebuild, disillusioned supporters, and an inability to effectively confront President Chavez' plans to push his "socialist" agenda. Accion Democratica (AD), which made its name more than 50 years ago fighting against Venezuela's past authoritarian governments, finds itself fading under the short-sighted choke-hold of Secretary General Henry Ramos Allup. Primero Justicia, until now the most promising opposition party, is on the verge of splitting. Former presidential contender Manuel Rosales is working, with some success, to rally the opposition, but is being undermined by those raising doubts about whether he can simultaneously lead the opposition and the Zulia governorship. His lack of focus in Venezuela around the holidays-- when Chavez was aggressively moving forward -- damaged public perception of his leadership capability. Still, Rosales remains the only national opposition politician capable of uniting and leading broad segments of Venezuelan civil society. End Summary.

Opposition is in Neutral

12. (C) Although the opposition had long anticipated President Chavez' recently announced deepening of his "socialist" program, it was nonetheless surprised by Chavez' sudden urgency to implement the plan, and has failed to react in a rapid or coordinated manner. Following their tenth straight electoral loss since 1998, most parties are turning inward either trying to figure out the way ahead or settle scores. Plans to sponsor recall referenda against mayors and governors have been scuttled as many opposition voters are too disillusioned to participate, or concerned about government reprisals if they do. Most opposition leaders we've talked to, such as Christian Democratic party (Copei) Secretary General Luis Ignacio Planas, see few issues that

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could motivate people, and think the opposition will be resigned to merely reacting to Chavez' moves. Even the RCTV

decision has generated only minimally cohesive opposition response so far.

Rosales to the Fore . . .

¶3. (C) Former presidential candidate Manuel Rosales has kept his concession speech promise and stepped forward to set the opposition's agenda on two fronts. First, he is trying to solidify his Zulia-based Un Nuevo Tiempo (UNT) party as a national entity. He has also approached several parties about forming a loose confederation based on a common set of shared principles. This will not be the opposition equivalent of a single party, but a broad, ideologically diverse alliance, similar to that which supported Rosales in the presidential election.

¶4. (C) Second, Rosales began a nationwide tour January 13 to mobilize people against the dangers of Chavez' "socialist" agenda and announced the creation of committees to defend municipalities from Chavez' redistricting proposal January

¶16. Sympathetic civil society groups are also reportedly planning a national neighborhood canvassing initiative to highlight the BRV's failures in addressing social issues. In addition, the technical committee Rosales established to study potential constitutional amendments is readying its initial findings, according to Gerardo Blyde, the group's executive secretary. The inter-party political committee to review the findings has not yet been formed, however, due to some opposition parties' continued squabbling.

. . . But Will Others Follow?

¶5. (C) Nevertheless, the de facto opposition leader faces a more difficult task than he did during the presidential campaign. Rosales lost some traction by vacationing during Christmas break, while Chavez was launching multiple

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initiatives, and has since been trying to catch up. He will also have to push out the old politicians that jumped into the leadership void during that time and reassert himself as the face of the opposition. In addition, Rosales' attempt to balance the time-consuming demands of leading a national opposition movement and the Zulia governorship is generating discontent. Opposition allies are saying that he should resign from his governorship to devote his full time to the opposition. Stepping down, however, would mean losing his immunity from prosecution, as well as reducing his available resources. His opponents may use UNT's association with old-guard politicians affiliated with the discredited governments of the past (the so-called Fourth Republic) and the failed Coordinadora Democratica of 2004 to undermine his appeal, as well. Contacts have also privately speculated that the Caracas political elite may have problems accepting "an outsider," i.e. someone not from the capital, as their leader. Ultra-opposition leaders, for example, still harbor resentment and are lambasting Rosales for conceding soon after the National Electoral Council (CNE) announced the preliminary election results. Some opposition technical experts and groups are even studying the presidential election results to try to identify patterns of fraud, drawing attention and resources that could be used elsewhere.

Dissension Returns

6 (C) Even if Rosales is able to overcome these issues, as he well may, the opposition remains deeply fractured, with virtually every party mired in internal disputes. The struggle within Primero Justicia (PJ), perhaps the most notorious spat, reached its height in mid-December when

members of the breakaway faction, Justicia Popular, allegedly vandalized PJ's Caracas headquarters. The faction also declined to submit candidates for PJ's internal elections scheduled for February 3. Ex-PJ Secretary General and current dissident faction leader Gerardo Blyde told poloff that his group will likely split formally from PJ in February, citing ideological and strategic differences. They rejected offers to join Rosales' UNT and will start their own political party based on grassroots networks. Blyde's group has more popular personalities, including Chacao Mayor Leopoldo Lopez, and appears to get along better with other opposition leaders, but it is unclear which faction is larger.

17. (C) PJ is also involved in several external conflicts. Rosales is still privately bitter about what he considers to be Julio Borges' betrayal by promoting PJ at the expense of Rosales' candidacy and withholding badly needed funds, according to close Rosales supporters. Borges and his supporters believe Rosales is retaliating by fomenting the party's internal dispute. Other parties have accused PJ of stealing votes from them through its "Vote Securely" campaign, in which PJ claimed that the BRV planned to divert votes for other opposition parties to Chavez. PJ Secretary General Armando Briquet chalked the accusations up to jealousy of PJ's status as the opposition's youngest and fastest-growing party, and its high vote share (11 percent of Rosales' 38 percent, the second largest bloc of opposition votes) in the presidential elections. Nevertheless, he was optimistic that all parties would resolve or at least paper over their differences to confront the greater external threat Chavez poses. The opposition's track record suggests otherwise, as does Borges' continued self-promotion and autocratic approach to party leadership issues, as well as, PJ's preference to act independently -- announcing its own constitutional reform committee, for example.

R.I.P. Accion Democratica?

18. (C) Accion Democratica (AD) continues to fade under the stranglehold of Secretary General Henry Ramos Allup and his stubborn abstentionist stance. Although AD showed its residual organizational strength, unofficially contributing up to 40 percent of the poll watchers for Rosales' campaign, continued defections and expulsions are taking their toll. In the 2005 municipal elections, the last one in which it participated, AD garnered roughly 292 seats, a drastic reduction from the 503 seats it got in 2000. Ramos Allup continues to expel rivals and those who publicly challenge him, such as dissident and former AD parliamentary bloc

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leader Alfonso Marquina and CTV labor leader Manuel Cova, both of whom openly defied Ramos Allup's order to not support Rosales. AD national committee leader and former Ramos Allup challenger Luis Emilio Rondon predicted the party would continue to lose members if it does not abandon its current policy and hold internal elections to refresh its leadership. AD President Victor Bolivar announced in late December that the party would propose its own constitutional amendments, restructure its base, and hold a party conference, but Rondon told PolCouns the statement was intended to try to steal the thunder from other parties.

19. (C) AD, like most other opposition parties, will also be hamstrung by its still shaky legal status. According to Venezuelan law, any party that does not participate in two consecutive elections or garner one percent of the vote in two consecutive elections in the same constitutional period must re-register by collecting signatures from .5 percent of the electorate. The CNE has not formally ruled on AD's status or the procedure for collecting signatures, presumably to keep the party off-balance, according to Marquina. Taking advantage of the legal confusion surrounding AD's status,

Marquina has solicited the party's name and color in effect trying to steal the party out from under Allup and playing into BRV plans to toy with the party.

Starting Anew

¶10. (C) A handful of parties interpreted the recent presidential election as a call for change and are taking advantage in the lull between elections--gubernatorial and mayoral races, if held, will occur in 2008-- to take action. Copei SecGen Planas told PolCouns January 8 that over the next few months, the party will revise its ideological charter and overhaul its organizational structure for the first time in some 20 years. The new Copei will move more toward the center and reorganize its base into popular networks similar to those used by Chavismo. The party will also announce a younger leadership board in late February to draw more young voters to its fold. MAS will hold its election in April and debate its future direction.

Comment

¶11. (C) Despite almost 10 consecutive years of decreasing political influence, many in the opposition remain unable to sacrifice their personal agendas to confront the larger threat. Much like they did after the 2004 referendum, they are blaming others for their failures or still fighting the last war and trying to prove that President Chavez won the December 2006 presidential election by electoral fraud. Meanwhile, Chavez is moving quickly to close off what little space remains for them to compete. His proposals for redistricting state and local districts could eliminate posts the opposition might run for. Against this bleak backdrop, Rosales is probably the only national opposition politician capable of uniting and leading broad segments of Venezuelan civil society. However, he will have to work overtime to regain the momentum lost to Chavez during Christmas break, and through his party, pave the way for a new generation of leaders that can restore the opposition's credibility with voters.

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